



## *Report to the Auburn City Council*

Action Item

Agenda Item No. **2**

*[Signature]*  
City Manager's Approval

**To:** Honorable Mayor and City Council Members  
**From:** Robert Richardson, City Manager  
Andy Heath, Administrative Services Director  
**Date:** October 8, 2012  
**Subject:** Airport Ground Lease Amendment – Douglas and Nancy Van Howd,  
Trustees of the Van Howd Family Trust

### *The Issue*

Shall the City Council authorize the City Manager or his designee to execute a second amendment to the airport ground lease between the City of Auburn and Douglas and Nancy Van Howd, Trustees of the Van Howd Family Trust?

### *Conclusions and Recommendations*

By **RESOLUTION**, authorize the City Manager or his designee to execute a second amendment to the Auburn Municipal Airport Ground Lease Agreement as it relates to the lease between the City of Auburn and Douglas and Nancy Van Howd, Trustees of the Van Howd Family Trust.

### *Background*

On June 22, 1987, the City Council approved a lease agreement between the City of Auburn and Douglas and Nancy Van Howd as it relates to 8,500 square feet of City-owned land upon which an airplane hangar currently resides. Although the original lease agreement was for a period of 30 years, through June 2017, Mr. Van Howd has requested that the City consider extending the lease term to 50 years, consistent with the leasehold agreements held by lessees of City-owned land in proximity to Mr. Van Howd's hangar.

The leasehold agreements for hangars in proximity to the Van Howd leasehold were executed in 1992 and run for a period of 50 years. At the time of their execution, these leaseholds were leased at a rate of \$0.1792 per square foot / year. The Van Howd leasehold, although originally executed five years prior to the aforementioned leases, also bore an original lease rate of \$0.1792 per square foot / year. Due to the similarity of the lease rates, use of land, and proximity, staff recommends that the Van Howd leasehold be extended to 50 years (expiring in 2037), consistent with similar leaseholds near the Van Howd hangar.

**Alternatives Available to Council; Implications of Alternatives**

1. Adopt a resolution authorizing the City Manager or his designee to execute an amendment to the Auburn Municipal Airport Ground Lease Agreement between the City of Auburn and Douglas and Nancy Van Howd, Trustees of the Van Howd Family Trust.
2. Do not adopt a resolution and direct staff accordingly.

**Fiscal Impact**

The annual lease rent will remain unchanged at \$1,523.63.

Attachment – Amendment to Lease – Douglas and Nancy Van Howd, Trustees of the Van Howd Family Trust

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RESOLUTION NO. 12-

RESOLUTION AUTHORIZING AN AMENDMENT TO THE GROUND LEASE AT THE  
AUBURN MUNICIPAL AIRPORT BETWEEN THE CITY OF AUBURN AND  
DOUGLAS AND NANCY VAN HOWD, CO-TRUSTEES FO THE VAN HOWD FAMILY  
TRUST, LESSEE

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THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize the  
City Manager or his designee to execute a land lease amendment at the  
Auburn Municipal Airport between the City of Auburn, a Municipal Corporation,  
and Douglas and Nancy Van Howd, co-trustees of the Van Howd Family Trust,  
Lessee.

DATED: October 8, 2012

\_\_\_\_\_  
Kevin Hanley, Mayor

ATTEST:

\_\_\_\_\_  
Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby  
certify that the foregoing resolution was duly passed at a regular meeting of  
the City Council of the City of Auburn held on the 8<sup>th</sup> day of October, 2012 by  
the following vote on roll call:

Ayes:  
Noes:  
Absent:

\_\_\_\_\_  
Joseph G. R. Labrie, City Clerk

## SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("Amendment"), dated as of \_\_\_\_\_, 2012 (the "Effective Date"), is made by and between the City of Auburn, a municipal corporation ("City") and Douglas and Nancy Van Howd, co-trustees of the Van Howd Family Trust dated May 4, 1978 ("Lessee").

### RECITALS

A. City and Lessee's predecessor in interest, Douglas and Nancy Van Howd ("Van Howd"), entered into that certain Auburn Municipal Airport Lease dated June 22, 1987 (the "1987 Lease"), pursuant to which Van Howd leased certain property at the Auburn Airport as legally described in the 1987 Lease (the "1987 Premises").

B. The 1987 Lease was amended on October 27, 2003 pursuant to City of Auburn Resolution 03 – 119 (the "2003 Amendment;" the 1987 Lease as amended by the 2003 Amendment is referred to herein as the "Original Lease"); the Leased Premises are legally described on Exhibit A hereto.

C. The Original Lease was assigned to the Lessee by that certain Assignment of Airport Land Lease effective as of October 1, 2007.

D. The term of the Original Lease expires on June 21, 2017; by this Amendment to parties desire to extend the term of the Original Lease as provided herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Term. Section 3 of the Original Lease is hereby amended to read in its entirety as follows:
2. Term. Subject to prior termination upon an "event of default by 'Lessee'" as that phrase is defined at Section 17 herein, the term of this Lease shall be for a period of forty five (45) years, commencing on June 22, 1987, and ending on the 21<sup>st</sup> day of June, 2032.
3. No Other Changes. Except as expressly modified by this Amendment, all other terms and conditions of the Original Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first set forth above.

“CITY”

CITY OF AUBURN, CALIFORNIA, a  
Municipal Corporation

By: \_\_\_\_\_  
Robert Richardson  
City Manager

“LESSEE”

\_\_\_\_\_  
Douglas Van Howd, co-trustee of the Van  
Howd Family Trust dated May 4, 1978

\_\_\_\_\_  
Nancy Van Howd, co-trustee of the Van  
Howd Family Trust dated May 4, 1978

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael Colantuono, City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PREMISES

[Add legal description from 1987 Lease as modified by the 2003 Amendment]

EXHIBIT "A"

LEGAL DESCRIPTION

Auburn Airport Property

Douglas and Nancy Van Howd

All that certain real property situated in the City of Auburn, County of Placer, State of California, being a portion of the Northwest Quarter of the Northwest Quarter of Section 27, Township 13 North, Range 8 East, Mount Diablo Base and Meridian, more particularly described as follows:

COMMENCING at a point which bears the following two (2) consecutive courses and distances from the section corner common to Section 21, 22, 27 and 28, Township 13 North, Range 8 East, MDB&M;

- (1) South 00° 24' 08" East 1321.53 feet;
- (2) North 88° 14' 15" East 857.6 feet;

THENCE North 05° 43' West 66.6 feet to the true point of beginning, said point lying on the southerly prolongation of the east pavement edge of the existing tie-down apron; thence from the point of beginning North 05° 43' West, along said prolongation and east pavement edge, 100.00 feet; thence North 84° 17' East 20.00 feet to a point hereinafter referred to as Point "A"; thence continuing North 84° 17' East 65.00 feet; thence South 05° 43' East 100.00 feet; thence South 84° 17' West 85.00 feet to the point of beginning.

This parcel contains 8,500 square feet more or less, excepting therefrom a 10-foot by 15-foot non-exclusive easement for door support and related purposes, more particularly described as follows:

BEGINNING at said Point "A"; thence North 84° 17' East 10.00 feet; thence South 05° 43' East 15.00 feet; thence South 84° 17' West 10.00 feet; thence North 05° 43' West 15.00 feet to Point "A."

This parcel contains .20 acre more or less.

This parcel contains 8,500 square feet more or less.

Resolution #87-113

Auburn Airport Property  
Douglas and Nancy Van Howd

